

M 54640

62-264

9 February 1962

MEMORANDUM FOR: Chief of Operations, DD/P

SUBJECT : Reciprocity Rights

1. The available files on the general subject of reciprocity rights and the proposed amendment to Section 305 of the Communications Act of 1934 have been reviewed to determine whether or not the most recent proposal differs essentially from the earlier proposal of several years standing. It was found that with a minor exception, the proposed amendment to Section 305 of the act as contained in the recent Bureau of the Budget memorandum dated February 7, 1962, is a verbatim copy of the earlier proposal, the last one of which was submitted in 1958. The minor exception is that the earlier proposal added a definition of "fixed services" as follows: "Fixed services means a service of radiocommunication between specified points."

2. A survey of the files brought out the following background material:

a. Each new effort to attempt an amendment of the Communications Act of 1934 seemed to go through the same general evolutionary steps of initial enthusiasm followed by second thoughts leading to a decision to defer the entire matter indefinitely. The second thoughts were an outgrowth of three major obstacles:

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(2) The anticipated inability of our Congressional contacts to obtain the quiet passage of the amendment without a serious floor fight and a possible committee investigation of the entire U. S. overseas communications program.

FBI review(s)
completed.

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(3) The expected violent reaction of U. S. commercial interests to the entire CIA [redacted] overseas communications effort if these companies became fully aware of the scope of the revenue involved.

b. On 22 May 1958 C/OPS/DDP quotes General McClelland as commenting on the Department's strong bid for reciprocity rights: "We should burn our heads and let sleeping dogs lie."

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[redacted] went on to say that he subscribed to Mr. [redacted] 25X1A9A

view that "the DCI should be willing to be identified with the Department's position only if consideration by the Congress is not going to involve an added debate with resultant harmful disclosures."

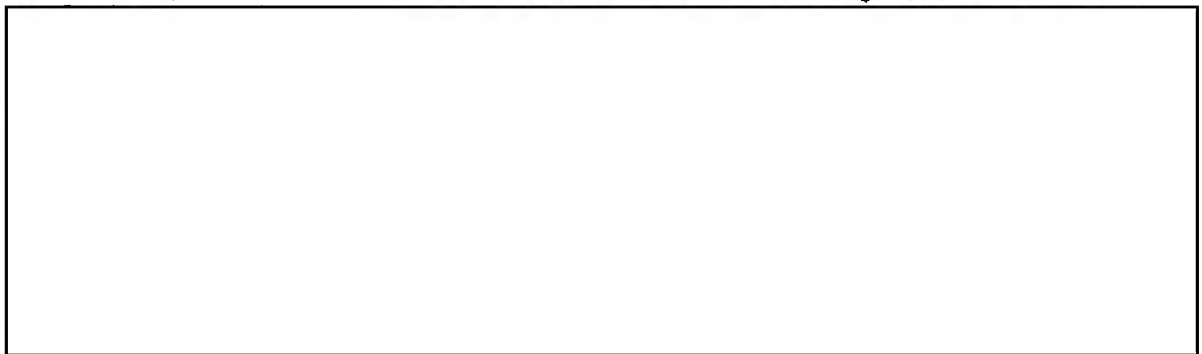
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[redacted] suggested that the DCI "talk to Mr. Robert Murphy and develop a concerted stand to obviate State's forcing the issue without due consideration of the interest and view points of other agencies."

3. The file indicates that CIA was the first strong proponent of reciprocity rights. The file reveals that gradually the Department of State has become the front runner in advocating reciprocity rights while this Agency has on each occasion had second thoughts such as were expressed by [redacted] when he stated that he saw the problem in an

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4. The Agency should not oppose this legislative amendment. [redacted] comments of 1958 however, remain valid until cancelled by him. The Agency therefore, should indicate to the BOB that it has "no objections" to the proposal. This form of reply indicating a distinct difference between supporting the proposal. As in 1958, the Agency should be willing to be identified with the Department's position only if consideration by the Congress is not going to involve an added debate with possible harmful disclosures.

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Deputy Director of Communications